



**State of Vermont  
Department of Housing and Community Development**

*Agency of Commerce and  
Community Development*

Deane C. Davis Building – 6<sup>th</sup> Floor [phone] 802-828-3211  
One National Life Drive  
Montpelier, VT 05620-0501

**TO: Joint Fiscal Committee Members**  
**FROM: Josh Hanford, Commissioner, Department of Housing and Community Development**  
**RE: Legislative Joint Fiscal Committee Act 81 Information Request**  
**DATE: July 28, 2023**

Senator Kitchel and Members of the Joint Fiscal Committee,

Thank you for the opportunity to provide you with the information requested in your July 6, 2023, letter. Since this request our state has experienced extreme flooding impacting residents and communities across the state. It's important to highlight the impacts and recognize the overlap of work and strategies contemplated in Act 81.

211 has reported over 4,290 residential units impacted with 763 self-reported as uninhabitable. This includes 14 impacted Mobile Home Parks with 4 sustaining substantial losses including 61 uninhabitable Mobile Homes. FEMA is continuing to assess and verify damages and provide a maximum benefit of \$41,000 to eligible households with substantial or total loss.

Sec. 9 (a) (1) – Act 81 includes \$10 million to support the capacity, availability, and utilization of manufactured homes in cooperatively owned, nonprofit, and privately owned manufactured home parks with vacant and available lots.

**Manufactured Home Communities Infill Program**

DHCD's most recent annual Mobile Home Park Registration identifies a total of 326 vacant lots, plus an additional 126 lots that could be made habitable. These lots require varying amounts of work to facilitate infill with new or used manufactured homes, with some lots ready for new homes and others needing significant work. To better evaluate these lots for In-fill ready sites in support of VHCB's program, the Housing Division contacted park owners within the areas identified as a having a significant urgent housing need (AHS's Emergency Housing Data), prioritizing parks within the target areas with significant amounts of vacant lots, with a survey to gather relevant information about those lots and gauge the park owner's interest in helping with this need. The surveys were completed by 26 Mobile Home Parks reporting a total of 82 vacant lots that could be ready for infill on an expedited timeline with no or minor repairs. Additionally, Vermont State Housing Authority (the largest mobile home park owner in the state) provided a detailed spreadsheet with information on vacant lots within nonprofit parks they manage with 86 additional vacant lots. All available lots have been screened against flood impacts and vulnerability (none in flood plain).

DHCD also reached out to manufactured home dealers and found they would be able to provide new homes within a 6-to-8-week timeline, though there is little available stock currently in the state. DHCD



has also researched cost estimates for placing new energy efficient Manufacture Homes in these lots on frost free foundations. Costs will range from \$120,000 to \$150,000, an increase from some earlier estimates, but still well below the development cost of \$400,000 per-unit for other types of affordable housing development.

With these cost estimates, the number of available lots and a onetime \$10M appropriation of VHCB funding, a Pilot Manufactured Home Communities In-fill Program could result in 60 to 80 families re-housed in Manufactured Home Communities. The program must be designed and implemented for greatest impact, paired with services, support and rental assistance to be successful for folks existing homelessness. We have had discussions with Vtrans about public transportation needs and the new transportation on demand model and how to best serve Manufactured Home Communities. With the need and lot availability outstripping available funding, VHCB will be able to choose the best projects for the best outcomes. DHCD and VHCB have discussed several options to ensure adequate public benefit is achieved for each home purchased and placed. These include ongoing rent affordability covenants and annual reporting through landlord certification to tax department (like VHIP), purchase by a nonprofit for ongoing ownership and/or purchase by low-income homeowners. Options can be tailored to each park-ownership structure and account for the total public benefit awarded.

Sec. 9 (a) (2) - Act 81 includes \$4 million to be granted from VHCB to the Vermont State Housing Authority for the Manufactured Home Improvement and Repair Program. Please provide a description of the need, including the estimated number of homeowners to be served and past sources and levels of funding for this program.

### **Manufactured Home Improvement and Repair Program**

The Manufactured Home Improvement and Repair ([MHIR](#)) program, first funded in SFY23 with \$4M in ARPA, supports manufactured (mobile) home communities in Vermont through three distinct program areas: park improvements (infill/small-scale capital), home repairs, and foundation installation. Launched in February of 2023 to serve vulnerable Vermonters through revitalizing an important part of the state's affordable housing stock, MHIR is making inroads toward the upstream prevention of displacement. Providing increased and on-going funding for this program will reduce the cost of needing to provide more expensive affordable rental housing. Many residents living in mobile home communities are extremely low income but require less rental assistance and services on average. Keeping residents in a safe home for a \$10,000 repair is more cost effective than building a new affordable apartment averaging \$400,000 of public funds to build.

Due to high demand, 96% of total \$4M MHIR available funding has already been requested by program applicants which resulted in the need to close applications for Home Repair Awards—one of three program areas—on May 5, 2023. Applications are still open for the Infill Awards and Foundation Awards. Through site visits to 18 manufactured home communities and processing of the applications, the demonstrated need for additional program funding is tremendous. Many homes require major repairs, — including households that have not yet applied for funding—such as roof and furnace replacements. These homes could become uninhabitable without intervention. Park infrastructure is also a concern with park owners facing water supply, abandoned homes, wastewater, and roadway challenges.

#### **Infill (Small-Scale Capital) Needs—**

- Most parks that have applied need infrastructure improvements, including utility, lot clearing, roadway, and stormwater work.
- 21 of 60 projects have been approved for park improvements such as demolishing and removing uninhabitable, abandoned homes.
- Most of these parks would benefit from additional technical assistance to plan for long-term park viability.

#### Home Repair Needs–

- Based on the site visits and applications, there are many homes in very poor condition that are in immediate need of repair or replacement.
- 55 of 173 projects have been approved to maintain habitability of the homes.
- It is increasingly difficult for homeowners to get quotes from contractors, and the cost of repairs appears to have greatly increased in recent years.

VHCB's report to JFC outlined steps already taken to deploy MHIR funding without delay by working collaboratively with DHCD and the Vermont State Housing Authority (VSHA). The VHCB Board has approved funding MHIR through an agreement with DHCD and VSHA, with conditions to meet the legislative intent including the following criteria for the award: 1) cost effective use of funds; 2) funds will be used as provided in Act 81 to prevent homelessness; and 3) funds will not be invested in sites at high risk of flooding.

Sec. 9 (a) (3) - Please provide information about DHCD's plan to support the Vermont Housing Improvement Program (VHIP). How will the \$5 million granted from VHCB to DHCD in this Act be deployed? By specific city or town? By priority households? Is there a waiting list of interested property owners that exceed the level of funding previously appropriated? What will be the verification process that assures these units are going to households currently in motels/hotels. In my district, I understand that some VHIP funded apartments have rejected households exiting homelessness because they lack rental assistance. Is there a gap in availability of rental assistance that will preclude success and how large is it? Will the Department be proposing changes to this program?

#### **Vermont Housing Improvement Program (VHIP)**

The Vermont Housing Improvement Program ([VHIP](#)) has demonstrated considerable success in bringing underutilized units back into use and creating new rental opportunities for those in need. This program has room for expansion with additional staffing resources and ongoing dedication of funds. Working with the five regional homeownership centers (HOCs), The Department of Housing and Community Development has overseen the rehabilitation or creation of several hundred (617 to-date including projects currently in construction) units since the beginning of the pandemic. This has been accomplished by providing grant funds up to \$50,000 per unit to property owners to conduct necessary repairs in exchange for renting the unit at affordable rates for a **minimum** of five years. There has been an emphasis on housing families and individuals who have experienced homelessness and **approximately three quarters of the units have ultimately been rented to someone exiting homelessness**. The program also has a component to allow for the creation of Accessory Dwelling Units – an option that is becoming increasingly popular.

With VHCB's transfer of an additional \$5M in one-time General Funds to support VHIP we can continue operating successfully, re-housing the homeless at an average cost of 10% of traditional affordable housing. This additional funding will accelerate the program, supporting the 5 Regional HomeOwnership Centers and prioritizing funding to regions demonstrating the most acute housing needs. Interest in VHIP and the need greatly outpaces the available funding and capacity at each HomeOwnership Center. VHCB's agreement supporting VHIP includes capacity support to each HomeOwnership Center based upon their demonstrated need. Tenants are referred to VHIP units through the Coordinated Entry System (our statewide system for re-housing the homeless) which now includes Pandemic Emergency Housing Residents as a result of requirements in Act 81 requiring residents to register with Coordinated Entry. Tenants need to have the ability to pay rent (through their own income or rental assistance) and in many cases, support services are also needed to be successful. Tenants referred to VHIP landlords without the ability to pay rent is a challenge and untimely results in an unsuccessful match. The Rental Assistance program is a Federal Program with specific rules and procedures, and we are constantly

working with VSHA to improve the coordination and success of matching VHIP units and rental assistance. VSHA reports many successful rental assistance/VHIP matches.

Sec. 9 (b) – Act 81 increases VHCB’s “Homeless Unit” set aside from 15 to 30 percent with priority given to households exiting hotels and motels in accordance with this Act. Since FY 2024 projects coming online already have legal agreements in place that determine the populations to be served, it appears that despite everyone’s best efforts, this target might not be achieved within the April 1, 2024 timeframe to end the pandemic-era General Assistance Emergency Housing Program. I understand that increasing the number of units available to households exiting homelessness beyond the set-aside in existing agreements must be treated as a goal and requires the availability of rental subsidy and services. Please clarify how you intend to help VHCB’s housing partners meet the 30 percent goal by supporting the availability of rental assistance and services.

Working in coordination with VHCB, we believe the plan and approach VHCB outlined in their report increase the percent of units provided to households experiencing homelessness will be the most successful way to achieve this goal. Making more units available at turnover to households exiting homelessness will likely have a more immediate and greater impact than new units over the next year.

DocuSigned by:  
  
5CC1A2BA223D496...

---

**Josh Hanford** | Commissioner  
Vermont Department of Housing and Community Development  
1 National Life Dr, Davis Bldg, 6th Floor | Montpelier, VT 05620-0501  
[Email] [josh.hanford@vermont.gov](mailto:josh.hanford@vermont.gov)  
[Phone] 802 828-3080  
[Mobile] 802-595-1385  
<https://accd.vermont.gov/>